Package for Cooperative Banks

994. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided on a package of money for helping the Cooperative Banks;

(b) if so, the amount to be given for this purpose;

(c) whether certain conditionalities pertaining to improvement in Cooperative Banks and others will be attached with this; and

(d) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) to (d) Government had appointed a Task Force to study the co-operative credit system and suggest measures for its strengthening under the Chairmanship of Shri Jagdish Capoor, the then Deputy Governor of Reserve Bank of India (RBI). The Task Force has, in its report, suggest broad guidelines for framing a package for strengthening of cooperative credit system. The report is under examination of the Government in consultation with State Governments and other financial institutions. Government had organized a Conference on 25th August, 2001 in which a decision was taken to re-examine the issues relating to the assistance to be provided to the cooperative credit system as also the funding mechanism therefore. Accordingly, a Committee of Cooperative Ministers of select State Governments under the Chairmanship of Union Minister of State for Finance has beet set up. The Committe is expected to examine the feasibility of delayering of cooperative credit structure apart from the issue of sharing pattern of assistance for revitalization of cooperatives and its funding mechanism, with a view to reduce intermediation cost in cooperatives. The Committee is deliberating on various issues and is expected to give its recommendations shortly.